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Sales of Premium Products to EU Drive Record U.S. Seafood Exports

By Joel Chetrick

U.S. exports of premium fishery products to the EU (European Union) continued upward in 2006 as previous sales value records were toppled in the region and worldwide. U.S. fishery product exports to the EU totaled 308,198 metric tons valued at over \$1.05 billion in calendar 2006.

In recent years, the EU has been the leading regional growth market for U.S. seafood as value and quantity grew by 79 percent and 43 percent, respectively, from 2002-2006. In addition, the EU's share of 2006 fishery product sales increased to 25.9 percent of U.S. export value, up 6.5 percentage points from 2002. As shown in the table below, North America and East Asia,

the other top regional markets for U.S. seafood, registered increased sales values during the past four years, but declined somewhat in export share.

Sales Up for a Mix of Products

U.S. exports rose for a variety of products, with especially notable gains for high-value scallops. Scallop exports in 2006 increased over 3.6 times in quantity to 8,065 tons compared with the 2002 level. The value gain was even more striking, rising to \$99.4 million in 2006, a difference of about \$81 million — more than 5.3 times the 2002

U.S. Fishery Product Exports By Region and Share of Total Export Value						
\$ Million						2002-2006
	2002	2003	2004	2005	2006	Percent Change
World Total	3,040.2	3,147.8	3,584.7	3,932.0	4,070.3	33.9%
North America	672.6	720.3	752.0	783.5	759.8	13.0%
Regional % of World	22.1%	22.9%	21.0%	19.9%	18.7%	
European Union-27	588.8	609.1	828.0	940.9	1,053.7	79.0%
Regional % of world	19.4%	19.4%	23.1%	23.9%	25.9%	
East Asia	1,575.7	1,591.6	1,715.2	1,911.7	1,869.0	18.6%
Regional % of World	51.8%	50.6%	47.8%	48.6%	45.9%	
Other Regions	203.1	226.9	289.6	296.0	387.8	90.9%
Regional % of World	6.7%	7.2%	8.1%	7.5%	9.5%	

value. Other leading export products registering gains included: pollock (with sales of \$220 million, 99 percent of which was frozen fillets of Alaska pollock); lobster (\$168.7 million); cod (about \$97 million); and salmon (\$93.5 million). Increased export values of salmon were driven by frozen sockeye, which in recent years has made inroads in Germany with producers of smoked product and the United Kingdom in the retail sector, as well as chum, an established product in the EU for many years.

In recent years, the EU has significantly reduced its member states' fishing quotas for cod. Consequently, seafood processors in the EU have actively sought new supplies of white fish such as pollock, cod, whiting/hake, and similar products from outside the EU to meet the region's strong demand. U.S. exporters have capitalized on these sales opportunities. Robust sales of U.S. pollock and cod as well as whiting/hake (\$34.2 million) were destined mainly for reprocessing into value-added products such as frozen meals and fish sticks, with much of the production taking place in Germany. Increasingly, cod from the United States has been used in the production of salted cod, finding a large and growing market with re-processors in Portugal, where U.S. cod exports totaled \$38.6 million (about 40 percent of total U.S. cod exports to the EU).

Another seafood success has been the rising sales of U.S. mackerel, mostly Atlantic mackerel from waters off the New England and Middle Atlantic states. In 2006, U.S. mackerel exports increased 60 percent in quantity from the 2005 level to 25,332 tons, following impressive volume and value gains over the past few years. The export value from 2005-2006 nearly doubled to \$27.1 million (up 97 percent). Mackerel processors from the Northeastern states broke new ground in 2006 with the development of markets such as France (\$6.8 million) and Portugal (\$6.3 million), where U.S. product is used mainly for canning.

Top Country Markets

The top EU destinations for U.S. seafood in 2006 included Germany, the Netherlands (with most product re-exported to other EU countries), France, the United Kingdom, Spain, Italy, Portugal, and Belgium (also with a great deal of re-exports).

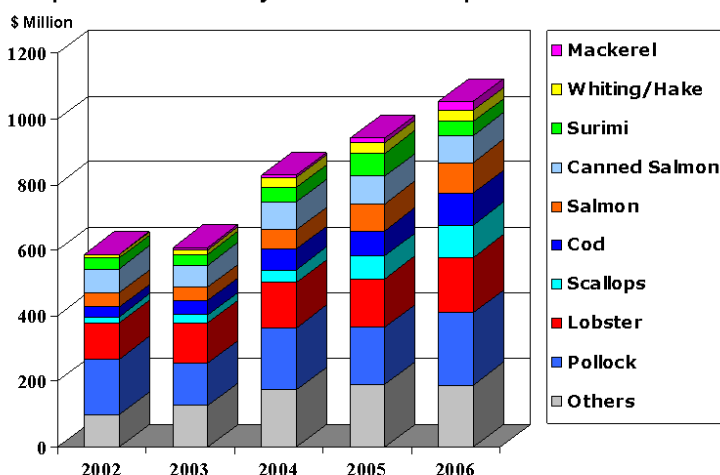
Germany remains a growing market for U.S. seafood, with 2006 exports exceeding \$263 million, up 23 percent from 2005. Pollock exports increased by 50 percent in value, and accounted for about half the sales to Germany in terms of volume and value. However, exports also rose for several other species. Consumer understanding that seafood is part of a healthy diet has been a major factor in the strong demand, as evidenced by growing sales of premium U.S. wild salmon, scallops, and other products.

In general, knowledgeable, experienced traders, Europe's leading ports (Rotterdam, Antwerp, and Amsterdam), and a good distribution system make the Netherlands and Belgium attractive markets for trading and processing seafood products. Last year, some of the varied seafood exports to the Netherlands and Belgium included pollock, salmon, scallops, lobster, cod, and eels. Increased seafood sales to these countries reflect domestic demand, reprocessing (mainly in the Netherlands), and substantial product re-exports due to transportation advantages and their close proximity to other countries in Western Europe.

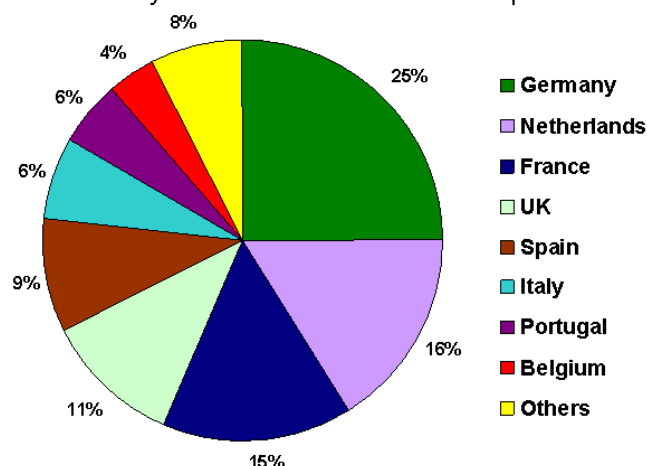
In the Netherlands, Alaska pollock makes up almost half of U.S. seafood imports by volume. In 2005, roughly 5,000 tons stayed in the Dutch market, and the remaining 11,000 tons was re-exported, mainly to Germany, France, and Belgium. The Dutch also import U.S. salmon, scallops, and lobster (often found at high-end wholesalers and distributors), and other products. Importers of these types of products traditionally also serve clients in neighboring countries. Belgium's purchases of U.S. seafood have gone up considerably, due largely to growing imports of scallops transshipped to other countries, primarily France.

France has been a growth market for high-value scallops and lobster (with 2006 exports at \$46 million and \$42.3 million, respectively), which are heavily used by the restaurant sector. France is

Top U.S. Fishery Product Exports to the EU



EU Country Share of U.S. Seafood Exports *



* U.S. seafood exports to the EU in 2006 totaled \$1.05 billion.

the largest market for U.S. scallops, which accounted for 29 percent of total U.S. seafood sales to that country, valued at nearly \$161 million. Lobster, a favorite food for holidays and special occasions, had a 26-percent value share. U.S. exports of wild salmon (\$17.5 million) and pollock (\$16.6 million) ranked third and fourth, respectively.

The United Kingdom, the perennial top market for U.S. canned salmon (with sales of \$68.7 million in 2006), has become a growth market for other salmon product formats, mainly frozen items (\$12.5 million). A number of major supermarket chains have stocked and promoted wild Alaska salmon, which ranked as the second largest U.S. seafood export to the United Kingdom. Another growing export was high-value scallops, valued at \$11.6 million in 2006.

Italy and Spain are substantial users of U.S. lobster, ranking second and third worldwide following Canada, which reprocesses and re-exports most U.S. product. While Italy and Spain import a variety of products from the United States (such as squid and salmon), lobster dominates in sales value. Lobster sales, valued

at \$54.7 million, accounted for 80 percent of U.S. seafood exported to Italy in 2006. Sales of lobster to Spain reached \$51.6 million, amounting to 54 percent of exports to that market.

As noted above, Portugal is a growing market for U.S. cod, with exports valued at \$38.6 million. Cod accounted for about two-thirds of the U.S. seafood sales value to Portugal (totaling \$58.2 million). The first-ever mackerel sales also contributed to expansion of this important market.

The strong euro, the EU's appetite for seafood, and its domestic supply constraints have been important factors behind higher U.S. sales to the region. U.S. exporters' efforts have also been instrumental to their success in this market, by developing lasting relationships with EU buyers and providing consistent supplies of high-quality seafood.

Trade shows such as the European Seafood Exposition and the Boston Seafood Show have benefited many U.S. participants by allowing them to display their products, meet buyers from around the world, and engage in one-on-one sales discussions. Organizations that promote U.S. seafood have helped U.S. suppliers by pre-arranging meetings with international buyers attending the Boston Seafood Show. Also, the Alaska Seafood Marketing Institute and Food Export USA-Northeast (both of which are participants in USDA's Market Access Program) have organized successful promotions of regional seafood that targeted retail and food service sectors throughout Europe. ■

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